

STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2005

The Budgetary Comparison Schedule in Required Supplementary Information (RSI) presents comparisons of the original and revised legally adopted budgets with actual data on a budgetary basis for the General Fund, and the major special revenue funds. The major special revenue fund categories presented for the State of Missouri are: public education, conservation and environmental protection, and transportation and law enforcement. The General Fund is composed of two fund categories, general and federal. The State Road Fund is a major capital projects fund, but must be presented on a separate schedule in Supplementary Information.

The Budgetary Comparison Schedule reports revenues and expenditures on a budgetary basis where “actual” revenues are recognized when cash is received, and “actual” expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2005, has been presented at the bottom of the Budgetary Comparison Schedule shown on the previous pages of RSI and includes data presented, on this basis, for the fiscal year, and for adjustments made in the one-month lapse period, July 1 through July 31.

The budgetary expenditures are included in the current year’s Appropriation Activity Report, which demonstrates legal compliance with the current year’s budget. This report can be viewed at <http://www.oa.mo.gov/acct/AAR>. The “original budget” expenditures and transfers are for what was originally appropriated for each fund. The “final budget” expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less what was re-appropriated to the next fiscal year less the Governor’s amounts reverted (withheld) for each fund.

On the Budgetary Comparison Schedule, “original” and “revised” budget revenues are equal for all funds except the State’s General Revenue Fund. Once a year the Office of Administration–Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State’s General Revenue Fund. The revised revenue estimate is used in the “final budget” column for the General Fund and is very comparable to actual revenue resulting in a small positive variance on this Schedule.

In accordance with state statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund, therefore variances between “budgeted” and “actual” expenditures and transfers on the budgetary schedule will always be positive. The variance amounts in RSI this year are large for the general fund due to agency-imposed withholding or “reverted” amounts not being taken into account on this schedule. “Reverted” amounts are Governor withheld funds, which an agency does not have the authority to spend.

Non-major governmental funds with an annual appropriated budget are also required to have budgetary comparisons with similar information to the RSI schedule with the exception of the original budget data, which is not required under GASB Statement 34. Therefore the following fund categories have budget to actual statements provided in the Supplementary Information section of CAFR: special revenue, debt service, and permanent funds.

Budgetary comparisons are not included for non-major capital projects funds. These funds are funded by bond proceeds or grants for various projects that require several years to complete. Generally, the bond authorization or grant is appropriated in total the first year even though the bond sales or grant receipts are received over a period of years as required by the projects. Therefore, these funds do not have annual budgets and their budget data is not comparable to the actual data for the fiscal year.